

# Meet Our Responsibilities to American Indians and Island Communities

Today there are 556 federally recognized American Indian and Alaska Native tribal governments in the United States. Each possesses inherent governmental authority deriving from its original sovereignty, a long-recognized principle of U.S. Constitutional law. The Federal Indian trust responsibility is a legal duty on the part of the United States to protect Indian land and resources, fulfill treaty obligations, and carry out the mandates of Federal law for the benefit of American Indian and Native Alaskan tribal members.

The Bureau of Indian Affairs (BIA) is the primary agency of the Federal government charged with the responsibility for administering Federal Indian policy and discharging the Federal trust responsibility for American Indian tribes, Alaska Native villages, and tribal organizations. The BIA provides services directly, or through agreements with tribes, to approximately 1.4 million American Indians and Alaska Natives in 48 States. The extensive scope of BIA programs covers virtually the entire range of State and local government services, including:

- elementary, secondary, and post-secondary education;
- social services;
- law enforcement;
- judicial courts;
- business loans;
- land and heirship records;
- tribal government support;
- forestry, agriculture, and rangeland development;
- water resources;
- fish, wildlife, and parks;
- roads and housing;
- adult and juvenile detention facilities; and
- irrigation and power systems.

Under the self-determination and self-governance policies, tribes are increasingly assuming day-to-day management responsibilities over programs operated by the BIA. Achievement of self-determination demands a Federal commitment that invests sufficient resources over the long term to assist tribes in developing self-government, an economic base, and social and educational institutions while preserving the tribal culture. In 1999, tribal governments received more than \$1.1 billion through contracts, grants, and compacts for operating programs and construction projects.

BIA programs are funded and operated in a highly decentralized manner. More than 90 percent of all appropriations now are expended at the local level, increasingly by tribes and tribal organizations operating under contracts or self-governance compacts. In addition, the BIA administers more than 43 million acres of tribally owned land, more than 11 million acres of individually owned land held in trust status, and 443,000 acres of federally owned land.

In 1996, the Office of the Special Trustee for American Indians (OST) was established to make the Department more effective in carrying out its Federal Indian trust responsibility. This office assists Interior offices and bureaus in actions or proposals related to American Indian trust resources and supports the Secretary's trust responsibilities and implementation of Indian trust protection policies and procedures.

Interior also provides energy and minerals-related services to tribes. The Bureau of Land Management is responsible for mineral leasing on tribal lands. The Minerals Management Service collects and distributes mineral revenues to tribes and allottees.

Figure 5

Goal 5 – Meet Our Responsibilities to American Indians and Island Communities	
GPRA Program Activity	1999 Expenditures (\$ in millions)
<b>A. Tribal Government and Related Activities</b>	
A1. Tribal government	
A2. Economic and Technical Assistance	
Subtotal A	
<b>B. Tribal Quality of Life</b>	
B1. Human Services	
B2. Public Safety and Justice	
B3. Community Development	
B4. Administrative and Support Services	
B5. Education	
Subtotal B	
<b>C. Trust Services</b>	
C1. Resources Management	
C2. Trust Lands and Resources	
C3. Trust Management	
Subtotal C	
<b>D. Island Communities</b>	
D1. Serving Island Communities	
<b>Total – Goal 5</b>	

In 1999, the Department employed the following strategies to achieve the goal of meeting our responsibilities to American Indians:

- Consulted on a government-to-government basis with tribal officials to ensure that the Department is an effective and responsive trustee;
- Supported private and public partnership initiatives to enhance tribal economic growth and opportunity;
- Reduced barriers and impediments to contracting and/or compacting of BIA programs;
- Provided the support necessary to improve the economic status of tribes through improved human capital and the promotion of self-sustaining businesses;
- Improved public safety in Indian communities through improved law enforcement services that reduce crime rates; and

- Developed conservation and management plans to protect and preserve the natural resources on tribal lands.

The Department also has administrative responsibility for coordinating federal policy in the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Marianas, and oversight of federal programs and funds in the freely associated states of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Interior's objective is to develop more efficient and effective government in the insular areas by recommending policies, providing financial and technical assistance, and strengthening Federal-insular relationships.

The major departmental activities to achieve the goal of meeting our responsibilities to American Indians and island communities are summarized in *Figure 5*.

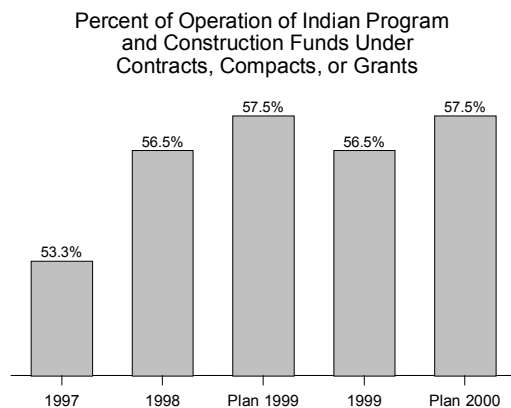
## Tribal Government and Related Activities

### Tribal Government

**Desired Result:** Provide tribes with the resources they need to foster strong and stable tribal governments and exercise their sovereign nations.

The Bureau of Indian Affairs provides tribal government support under several broad and specific authorities which authorize the Secretary of the Interior to provide services to American Indians and Alaska Natives. This support includes technical assistance to tribal governments on matters such as membership criteria, enrollment, judgment funds, and recognition of Indian tribes. At one time, BIA provided virtually all services and programs directly to American Indians. Today, Federal policy emphasis is on self-determination and self-governance. The goal of the Department is to provide tribes with the resources they need to foster strong and stable tribal governments and exercise their authority as sovereign nations. As a result, 50 percent of BIA operations are now contracted by tribes resulting in a reduction in BIA staffing levels to about 9,800 employees, half of which are in the Office of Indian Education; approximately 5,000 employees remain to operate BIA programs.

#### 1999 Performance Indicator



In 1999, the BIA achieved its target of 56.5 percent for this performance measure. The 1999 level was the same as 1998 due to a congressionally imposed moratorium prohibiting new contracts or compacts under Public Law 93-638.

### Economic and Technical Assistance

**Desired Result:** The Bureau of Land Management will meet trust responsibilities while providing economic and other assistance to federally-funded tribes.

The Bureau of Land Management has a wide range of responsibilities in government-to-government relationships with Indian tribes and Alaskan Native communities. These include:

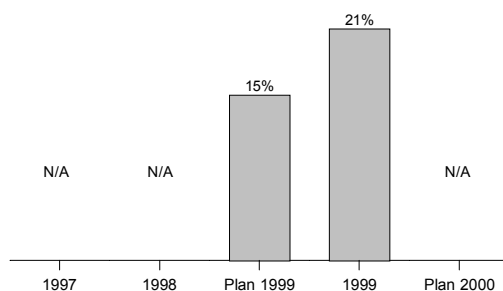
- Disbursing payments of shared revenues derived from activities on the public lands;
- Disbursing payments-in-lieu of taxes (PILT);
- Conveying land to Alaska Native people, Native corporations, and the State of Alaska;
- Settling Alaska Native and American Indian allotment land claims;
- Providing tribes with technical assistance to develop leased energy/mineral resources;
- Providing fire suppression services on all Federal and Native lands in Alaska; and
- Adjusting land tenure between Federal agencies and States.

The BLM has several self-governance agreements with seven tribes under the Indian Self-Determination Act (Public Law 93-638) and agreements under the Federal Oil and Gas Royalty Management Act (FOGRMA) for the management of tribal

mineral resources. Increasing BLM's capability to expand the number of agreements would provide significant economic benefits to additional tribes.

### 1999 Performance Indicator

Percent of BLM Field Offices Which Have Formal Agreements with Federally Recognized Tribes



The Bureau of Land Management's number of field offices which have formal agreements with federally recognized tribes is 28. The Native American coordinators in each State are responsible for collecting and annually updating the list of formal agreements between field offices and federally recognized tribes. These numbers are then reported to the National Native American Liaison. The agreements include self-governance agreements, 638 contracts, cooperative agreements, Memorandum of Agreements, Memorandum of Understandings, and technical assistance agreements. For 2000, this performance measure has been changed to reflect the number of formal agreements executed between BLM field offices and federally recognized tribes.

## Tribal Quality of Life

### Human Services

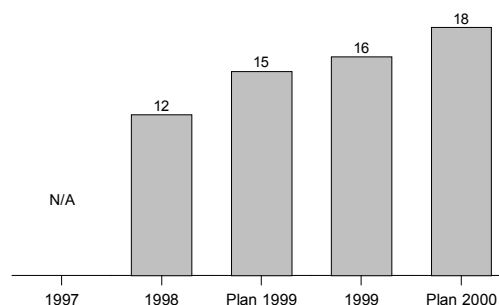
**Desired Result:** Ensure that individual Indians residing on or near reservations who need assistance receive aid for basic essential needs such as food, clothing, shelter and other services that improve the conditions of families.

The BIA strives to improve the quality of life in tribal communities by providing resources to meet the basic needs of tribal members. Resources are used to improve and develop housing, improve adult care facilities, and welfare reform which includes the redesign of the social services programs within BIA.

The goal of this program activity is to identify and provide services to every eligible Indian individual who qualifies for essential needs funding and to make the best use of the Federal funds provided. To accomplish this, BIA is refining its Federal regulations to close loopholes and address program gaps that will provide for flexibility to redesign welfare programs. The elimination of the ineligible and the eligibility for State assistance to adult care facilities will lead to an increase in the funding and services provided to eligible applicants being served.

### 1999 Performance Indicator

Number of Tribes Operating Comprehensive Welfare Plans



In 1999, the BIA exceeded the target established for this performance measure by one.

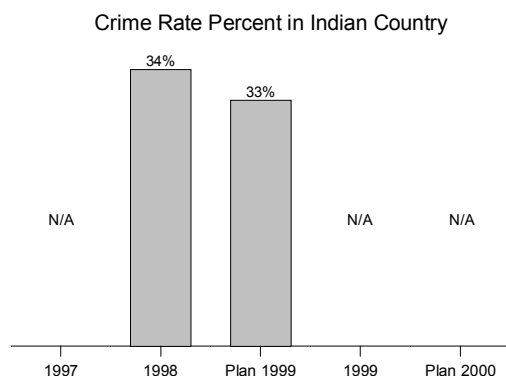
### Public Safety and Justice

**Desired Result:** Provide quality investigative and police services and technical expertise to Indian tribes.

A reported crime in Indian country is twice as likely to be a violent crime as compared to crime reported elsewhere in the United States. In contrast, there are fewer than half as many law enforcement officers per capital.

Pursuant to the Administration's directive of August 25, 1997, the Secretary of the Interior and the United States Attorney General worked with Indian tribal leaders to analyze the law enforcement problems and to provide options to improve public safety in Indian Country. The resulting "*Presidential Initiative on Law Enforcement in Indian Country*" consolidated the existing three major law enforcement areas (uniformed police, criminal investigation and detention services) under the authority of BIA's Office of Law Enforcement Services and provided for a considerable increase in the number of on-reservation officers. Additionally, it builds on the Department of Justice's (DOJ) successful grant programs such as the Community Oriented Policing Services (COPS) and expands DOJ grants to include Indian detention centers.

### 1999 Performance Indicator



Based on program and data reviews conducted in 1999, the Bureau of Indian Affairs concluded that it needed to refine its methods of collecting and processing crime rate data. The BIA has developed a new method of computing the crime rate based on formulas used by the Department of Justice. In 2000, the BIA will report a different performance measure that reflects the new method of computing the crime rate in Indian Country.

The BIA is establishing new reporting requirements for law enforcement agencies that would allow for the monthly collection of data. During 1999, the BIA's Office of Law Enforcement Services made considerable

progress in improving services and public safety in Indian country. Areas of concentration include crime prevention programs, vehicle replacement, training and education, and hiring.

## Community Development

**Desired Result:** *Provide tribes with the resources necessary to develop a self-sustaining economic base which in turn will work to empower tribes.*

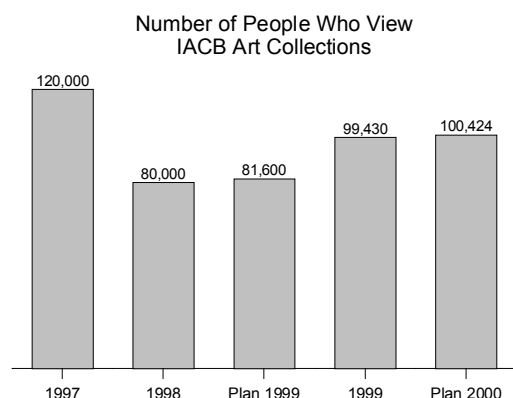
Unemployment on Indian reservations is approximately 45 percent. Almost 30,000 Indians on reservations receive welfare (general assistance) funds from BIA, and approximately 70 percent of these clients are looking for employment.

Implementation of Public Law 102-477 allows tribes to integrate all of their employment, training, education, child care and related programs into one single program to address the problem of unemployment on Indian reservations. Tribes voluntarily combine their existing resources from as many as 12 different programs from the Departments of Labor, Health and Human Services, and the BIA, into one coordinated effort. The program has reduced tribal reporting by 96 percent. Additionally, instead of maintaining 12 separate sets of financial and client records, the participants report and maintain only one set of each to satisfy all Federal reporting requirements. Reduced administrative burdens result in increased time and resources devoted directly to clients which produces increased completion of training objectives and job placements.

The Indian Arts and Crafts Board (IACB) provides for the economic development of American Indians and Alaska Natives through the implementation of Public Law 101-644, the Indian Arts and Crafts Act of 1990, a truth-in-marketing law. The Act protects Indian artists and artisans, businesses, and tribes, as well as consumers, and supports the move by the tribes and their members toward economic self-reliance.

Alaska Native and American Indian artists and artisans suffer significant losses of potential income from the growing sale of products misrepresented, or erroneously represented, as authentic Indian arts and crafts. Only a small portion of the billion dollar, authentic American Indian and Alaska Native art and craftwork market and its lucrative profits are controlled by individual Native American owned and operated businesses. This directly affects the overall BIA goal of self-determination.

### 1999 Performance Indicator



In 1999, the Indian Arts and Crafts Board exceeded its performance target as a result of loaning artwork to other institutions.

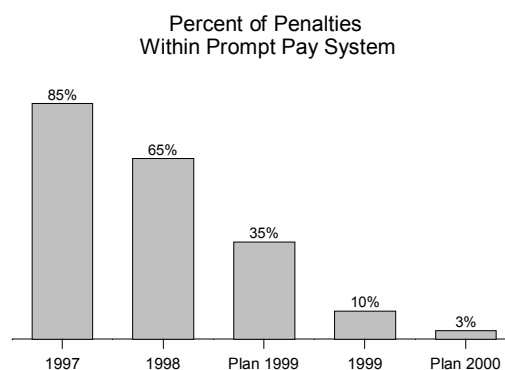
## Administrative and Support Services

**Desired Result:** Reduce long-term costs and improve timeliness of services through the use of modern, automated techniques and processes for management.

The Bureau of Indian Affairs has deficiencies in several areas of administration that have resulted in material weaknesses and qualifications of its Annual Financial Report. These deficiencies are in the areas of contracting, property, records management, debt collection, and revenue reporting. All of these deficiencies are documented either as material weaknesses with corrective action plans or as qualifications in the BIA Annual Financial Report. To meet all milestones

within the established time frames, BIA is placing the highest priority on implementation of corrective action plans and on elimination of report qualifications by monitoring the work of staff assigned the responsibilities. Success is measured by reductions in costs and time for product delivery. For example, prompt pay statistics allow measurement of improved performance based on lower interest payments from timely payment. The BIA will develop baseline data for other areas.

### 1999 Performance Indicator



In 1999, the BIA exceeded its goal to correct Prompt Pay Act interest penalties. The fourth quarter Prompt Pay interest penalty rate was 10 percent. This effort is due in part to implementation of remote data entry in Office of Indian Education Program sites and Interior's charge card payment system.

## Education

**Desired Result:** Provide quality education opportunities from early childhood through life in accordance with tribal needs for cultural and economic well-being.

The Federal government has a special, historic responsibility for the education of Indian children. In Executive Order 13096 on American Indian and Alaska Native Education, the Administration affirmed this responsibility by stating its commitment to improving academic performance and reducing the dropout rate of Indian students. The Order sets forth six goals, including

improved reading and mathematics, increased high school completion, improved science education, and expanded use of education technology.

Nearly one-third of BIA's annual appropriations in the Operation of Indian Programs account support Indian education. These funds provide elementary and secondary education and residential care for some Indian students attending public schools, and special services to meet the needs of Indian students in such areas as early childhood development, bilingual education, counseling and guidance. Johnson-O'Malley Education Assistance grants provide special education programs for Indian students attending public and private schools.

The BIA also operates two post-secondary schools, Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, and provides financial support to 24 Tribally Controlled Community Colleges (TCCC). Scholarship programs assist Indian students in pursuing undergraduate and graduate degrees at public and private colleges and universities. Adult education programs are also available for high school equivalency diplomas.

### 1999 Performance Indicators

	1997	1998	Plan 1999	1999	Plan 2000
Percent of student attendance	90%	90%	90.5%	91%	91.5%
Number of TCCC degrees conferred	1,387	1,179	1,214	1,105	1,138

The 1999 data excludes four schools that did not submit reports within the required time frame. To meet its 2000 performance targets, BIA's Office of Indian Education Programs will focus training and technical assistance on those schools that are making the least progress in meeting their goals. Schools with attendance rates of less than 85 percent will be targeted for assistance.

In 1999, the number of TCCC graduates was less than the performance target because of (1) a decrease in FTE staffing in Title Land II

institutions funded by Public Law 95-471 and (2) delayed appropriations approval that resulted in classes not being offered at the beginning of the academic year, causing students to drop out and transfer to other schools.

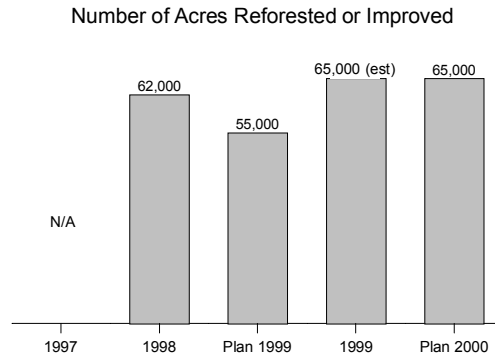
## Resources Management

**Desired Result:** *Assist American Indians and Alaska Natives in protecting and preserving their natural resources on trust lands and shared off-reservation resources.*

The BIA's trust lands and resources management programs protect, develop, and enhance the management of over 54 million acres of Indian trust lands, including all ownership interests and rights to surface and subsurface resources, for the benefit of tribes and their members.

A major responsibility of the BIA is maintaining Indian trust forest lands in a perpetually productive state. The BIA assists tribes and individual Indian forest land owners in managing, developing, and protecting their forest resources through the use of sound ecosystem, silvicultural, and economic principles. These activities provide employment and revenue to Indian owners. BIA participation in the Administration's Forest Plan has two main components: (1) ecosystem restoration projects and (2) timber harvest initiatives in the Pacific Northwest and Northern California regions. The ecosystem restoration projects improve the quality of fish and riparian habitats in watersheds and streams. The harvesting of additional timber from Indian forests increases wood supplies for the domestic and export markets and helps the northwest commercial economy recover from the court ordered restrictions on timber harvests on Federal lands.

### 1999 Performance Indicator



Final 1999 forestry data has not been fully collected and analyzed by the Bureau of Indian Affairs. Data collected at the time of report publication indicate that BIA exceeded its target level of 55,000 acres.

## Tribal Trust

### Trust Lands and Resources

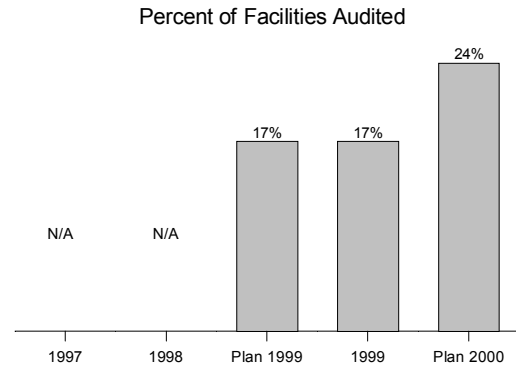
**Desired Result:** Ensure the trust responsibility to protect and preserve trust lands and trust resources.

The Bureau of Indian Affairs strives to promote the protection and preservation of trust resources through tribal litigation and negotiation of land and water settlements, environmental audits, dispersion of real estate knowledge, and dam repair construction.

BIA strategies for meeting this goal include continued funding of Interior water rights negotiation teams and tribal teams in the respective efforts to prepare the legal and technical research to settle tribal water rights claims and funding of historical and technical studies in support of tribal land claims; conducting environmental audits in cooperation with tribes; developing and revisiting existing real estate manuals and handbooks regarding trust resource management to allow for efficient implementation of the

BIA's trust responsibility to the owners of trust resources; and fulfilling dam repairs in accordance with the Department's Technical Priority Ranking list.

### 1999 Performance Indicator



In 1999, the Bureau of Indian Affairs met its target of 17 percent for this performance measure. In 2000, the BIA will accelerate efforts to audit and correct environmental deficiencies.

### Trust Management

**Desired Result:** Protect and preserve Indian trust assets and collect and accurately account for income due beneficiaries.

The Office of the Special Trustee for American Indians is responsible for ensuring that the Department establishes appropriate policies and procedures, develops necessary systems, and takes affirmative action to reform the management of Indian Trust Funds to meet the objectives of the American Indian Trust Fund Management Reform Act of 1994. The Act directs the Special Trustee to consult with Indian tribes and Indian organizations and to develop a comprehensive strategic plan to reform the trust fund management system. This planning process, by law, is on a separate but parallel track toward developing a results-based strategic plan.

The Administration is working with Congress to develop two legislative proposals that comprehensively address many of the decades-old Indian trust funds problems.



The first of these efforts addresses one of the root causes plaguing trust management: fractionation of Indian lands. The Administration submitted its legislative proposal to address fractionation to the Congress in June 1997. The Department's legislative proposal would (1) consolidate existing fractional interests through an acquisition program which conveys the interests to tribes with "liens" on future income generated on the property until the purchase price is recouped; and (2) prevent future fractionation through enactment of inheritance limitations.

The second effort addresses settling claims relating to past management of trust funds. Efforts are proceeding on two tracks: legislative settlement for tribal accounts and litigation for individual accounts.

In November 1997, the Department submitted its final report detailing its recommendations on settling disputes of tribal trust fund accounts. The Department recommended a legislative approach that utilizes informal dispute resolution mechanisms. The Administration forwarded legislation implementing the Department's recommendations on April 23, 1998.

Problems concerning Individual Indian Monies (IIM) trust fund accounts are being addressed partly through litigation. In June 1999, plaintiffs brought a class action lawsuit against the Secretary of the Interior, the Department of Interior's Assistant Secretary for Indian Affairs, and the Secretary of the Treasury, alleging breach of trust regarding the handling of nearly 300,000 IIM accounts. The court bifurcated the case into prospective ("fixing the system") and retrospective ("correcting the accounts") relief. Regarding prospective relief, the court held in a December 1999 decision that the Defendants breached statutory trust duties by failing to establish written policies and procedures in several areas necessary to render an accurate accounting. The court, which retained jurisdiction for five years, directed the Defendants to establish the necessary written policies and procedures, and it required that status reports be filed. The Federal govern-

ment has filed an appeal. Regarding retrospective relief, a date for trial has not yet been set.

### 1999 Performance Indicator

	1997	1998	Plan 1999	1999	Plan 2000
Percent of milestones of the 13 subprojects completed in the High Level Implementation Plan	0	38%	N/A	82%	100%
Number of tribes with access to trust asset information (318 total)	0	0	N/A	159	286
Number of BIA Areas on Trust Asset and Accounting System (12 total)	0	0	N/A	1	12
Number of BIA Areas on Trust Funds Accounting System (TFAS)	0	3	N/A	11	12
Number of accounts in TFAS	0	39,000	N/A	197,000	275,000

## Island Communities

### Serving Island Communities

**Desired Result:** Assist island communities with improving their governmental operations to deliver more, better, and cost effective programs and services to their people.

Interior has had a long relationship with the four U.S. territories and three affiliated, autonomous nations. The Secretary of the Interior has responsibilities to the islands that are mandated in law and through Presidential Executive Orders. These are carried out by the Office of Insular Affairs (OIA). Four areas of responsibility are:

- Providing insular areas with financial assistance for government operations and infrastructure development;
- Providing technical assistance and advice to island governments;
- Coordinating with other Federal agencies in providing services and developing policies; and

- Representing the Administration's policies and positions in discussion with Congress and four territorial governments.

The OIA programs are funded through discretionary and mandatory appropriations. OIA infrastructure improvement programs help ensure that island governments can construct, operate, and maintain schools, libraries, health care facilities, port facilities, roads, power, water, waste treatment facilities, prisons, government buildings, parks, recreation facilities, and libraries. Technical assistance programs help island governments provide adequate public services and conduct efficient government operations, including government operating grants, financial management, data management, health care, education programs, public safety, economic development, environmental restoration, and disaster relief.

In 1999, the Department employed the following strategies to meet its commitments and responsibilities to island communities:

- Streamlined internal procedures and created external incentives to accelerate award of grant monies;
  - Provided project management and other technical assistance to help island communities initiate and complete infrastructure construction;
  - Helped island governments to update and use multi-year capital infrastructure plans to assess operations and maintenance needs;
  - Provided financial and technical assistance to support long-term financial planning by island governments to improve fiscal management;
  - Promoted effective communications and between island governments and other Federal agencies to improve governmental relations; and
- Used survey and assessment tools to assess and monitor how satisfied island governments are with Federal-island governmental relations.

In 1999, financial management improvement plans were scheduled to be completed for 3 of 7 insular governments. This performance target was exceeded as four governments currently have financial management plans.